



Subcommittee on Capital Markets, Insurance and Government  
Sponsored Enterprises Hearing, Wednesday, April 26, 2006  
“America’s Capital Markets: Maintaining our lead in the 21<sup>st</sup>  
Century”  
**Statement for the record**

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I want to thank you Mr. Chairman for holding this hearing today. And thank you to the witnesses that have joined us.

Some figures I was recently made aware of trouble me. In 2000, 9 out of the 10 largest IPOs were in the United States. Last year, only one out of the 24 IPOs that raised a billion dollars or more was in the United States. And according to a recent Wall Street Journal article, global stock and bond issuance rose by \$1.86 trillion in the past year, with non-U.S. companies driving the activity. While the U.S. still leads the world in IPO volume and U.S. securities companies are still in high-demand, if Congress doesn’t take a good look at the policies surrounding our capital markets, the U.S. will go from a world leader to a mere player in no time.

One this is certain: the United States must to get a handle on its litigation costs if we are going to continue to be a market leader. Congress has passed several pieces of legislation over the past decade; yet settlements increased to almost \$10 billion last year. With this type of lawsuit abuse, the United States will lose its ability to compete with global markets.

Additionally, we have some of the strictest accounting practices in the United States thanks to Sarbanes-Oxley that protect consumers. However, the International Organization of Securities Commission and SEC Chairman Cox continue to advocate for compatible security and accounting laws globally. Accordingly, I look forward to hearing from our witnesses to learn what Congress can do to bring these other countries up to our standards. I want to ensure that U.S. accounting standards and securities laws do not discourage foreign companies from trading in New York and on other exchanges.

Thank you again Mr. Chairman for holding this hearing.